

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
May 19, 2006

MEMBERS PRESENT:

Mr. James Davis (Chairman)
Mr. Mandell Tillman
Mr. Clifford Odom
Mrs. Myra Pruitt (departing at 9:55 a.m.)
Mr. Leston Stallworth (departing at 9:55 a.m.)
Mr. Jon B. Blissitte (Vice-Chairman)(departing at 9:55 a.m.)
Mr. Thomas E. Garrett
Mr. Fred Crochen

MEMBER ABSENT:

Mr. Joe Lambert

OTHERS PRESENT:

Mrs. Lisa Brooks
Ms. Neva Conway
Mr. D.J. Dixon
Mrs. Carolyn Greene

GUESTS PRESENT:

- 1.0 With quorum present Mr. Jim Davis, Chairman called the meeting to order at 8:05 a.m. Mrs. Carolyn Greene, Executive Secretary, recorded the minutes. The meeting was held at the RSA Union Building, 100 N. Union Street, 3rd Floor Conference Room, Montgomery, Alabama. Prior notice of the meeting was posted on the Secretary of State's website on May 1, 2006 in accordance with the Alabama Open Meetings Act.
- 1.1 The meeting was opened with prayer by Mr. Odom and then the Pledge of Allegiance.
- 2.0 Members present were Mr. James Davis, Mr. Clifford Odom, Mr. Leston Stallworth, Mr. Mandell Tillman, Mr. Fred Crochen, Mr. Jon B. Blissitte, Mrs. Myra Pruitt and Mr. Thomas E. Garrett. Member absent was Mr. Joe Lambert.
- 3.0 On motion by Mr. Garrett and second by Mr. Odom the regular minutes for April 21, 2006 were approved as written. Motion carried by unanimous vote.

- 3.2 Ms. Conway included for Board information an Order for an administrative hearing for Josh Porter, which has been scheduled for June 29, 2006 at 10:00 a.m.

Ms. Conway also included for Board information an Order for an administrative hearing for Robert Weaver and Derek Weaver, which has been scheduled for June 27, 2006 at 10:00 a.m. Ms. Conway notified the Board that Mr. Randy Robertson and Ms. Kathryn Bentley would testify in the Weaver hearing.

- 4.0 Ms. Conway included the change to 780-X-8.01 Eligibility For Examination for the Boards approval. On motion by Mr. Tillman and second by Mr. Garrett the Board voted to amend the rule to hold the Trainee to General interview only when deemed necessary by a Board member. Motion carried by unanimous vote.

Mr. Davis discussed with the Board the need to remove the State Registered Real Property Appraiser classification. The current licensees would remain, however no new licenses would be issued in that classification. On motion by Mr. Tillman and second by Mr. Stallworth the Board voted to have Ms. Conway draft legislation to remove the State Registered Real Property Appraiser classification. Motion carried by unanimous vote.

There was no one present at the public hearing scheduled on the amendment to 780-X-16.04.

- 5.0 On motion by Ms. Pruitt and second by Mr. Garrett the following applications were voted on as listed. Motion carried by unanimous vote.

- 5.1 **Trainee Real Property Appraiser applications approved:** David A. Farmer, Edward D. Giles, Michael V. Johnson, Michael B. Miller, Jonathan B. Norton, Gertie Preyer, Dianne M. Richard, Sharyn P. Smith, Cheryl L. Vowels, Matthew J. Welch.

- 5.2 **State Registered Real Property Appraiser applications approved:** Douglas G. Hicks, Kellie Ross, Lacy A. McCall. **Application deferred:** Sandra Jonio.

- 5.3 **Licensed Real Property Appraiser applications approved:** David Bussell, Courtney Cooper, Jim Dennis. **Applications deferred:** Amy R. Ivey, Lesa S. Knight.

- 5.4 **Certified Residential Real Property Appraiser applications approved:** Nancy M. Case, Gregory S. Dalton, Edward W. Dean, Thomas G. Given III (Recip.)(GA), Randy Grayson, James L. Hudspeth, Stacey G. Wade. **Applications deferred:** Millissa M. Allen, Lisa K. Ferguson, John W. Kidd, Lawrence Sides.

- 5.5 **Certified General Real Property Appraiser applications approved:**
James M. Kleitz (Recip.)(GA), Robert M. Mancini (Recip.)(GA), Averall C. Sistrunk (Recip.)(MS). **Application deferred:** William P. Scruggs.
- 5.6 On motion by Mr. Tillman and second by Mr. Garrett the following mentor applications were voted on as listed. Motion carried by unanimous vote.
- Mentor applications approved:** Doris G. Baker, Charles Chris Dixon, Wilbur P. Fowler, Scott Gellerstedt, Gregory R. Graham, Vincent Howell, Kay C. Kauchick, Don McPhail, Gregory Walker, Andrew D. Widener, Matt Woods. **Applications deferred:** B. M. Green, Kyle M. Waites, Jr.
- 6.0 Mrs. Pruitt discussed the financial report with the Board. Mrs. Pruitt stated we were 58% into FY 06 and 43% into budget expenditures. Mrs. Pruitt stated there were no negative trends that could not be reconciled at this time. On motion by Mr. Garrett and second by Mr. Stallworth the Board voted to approve the Financial Report. Motion carried by unanimous vote.
- 6.1 On motion by Mr. Odom and second by Mr. Garrett the following education courses and instructor recommendations were approved, deferred, or denied as indicated.

APPRAISAL INSTITUTE - CHICAGO

Initial Application:

(CE) 2006 Scope of Work and the New USPAP Requirements – 3 Hours – Traditional Classroom
(Instructor: Paula Konikoff)
Both Course and Instructor Approved

Initial Application:

(CE) 2006 new Technology for the Real Estate Appraiser: Cool Tools – 3 Hours – Traditional Classroom
(Instructor: Wayne Pugh)
Both Course and Instructor Approved

Career WebSchool, a.d.b.a Thomson CompuTaught

Initial Application:

(LIC) Basic Appraisal and Reports – 75 Hours – On-line
(Instructor: A. M. (Bud) Black)
Both Course and Instructor Approved

LORMAN EDUCATION SERVICES

Initial Application:

(CE) Condominium And Planned Community Practice – 6 Hours – Traditional Classroom
(Instructors: Melinda Eubanks and Carol Stewart)

Both Course and Instructors Approved

MCKISSOCK APPRAISAL SCHOOL

Initial Application:

(LIC) Residential Income Approach – Virtual Classroom - 15 Hours – Virtual Classroom
(Instructor: Tracy Martin)

Both Course and Instructor Approved

NATIONAL ASSOCIATION OF INDEPENDENT FEE APPRAISERS

Initial Application:

(CE) 5.0a 2006 National USPAP Update - 7 Hours – Traditional Classroom

Course Approved

Motion carried by unanimous vote.

6.2

AB-05-78, AB 05-80, AB 05-92 On April 21, 2006 the Board issued a private reprimand to a Certified General Appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$2000 Administrative Fine and to complete a 15 hour USPAP course with exam. **AB 05-78**

Respondent used a blueprint of the home to calculate the GLA and did not disclose in his scope of work that actual measurement had not been made. The intended use of the appraisal report was not clearly and accurately stated in the report. Described a different neighborhood than the subject neighborhood in the neighborhood section of the report. Supervisor's inspection of the subject property was not clearly stated. Respondent failed to train the Trainee in the proper development and reporting of an appraisal. 2-1(a), 1-2(b), 1-1(a), 1-1(c), USPAP, 2005 Ed., 780-X-9, Appraisers Board Administrative Code, February, 2003.

AB 05-80 Respondent failed to prepare, develop and communicate a credible appraisal report due to being reconciled from non-credible sales comparison analysis. Respondent incorrectly added the square footage adjustment in one comparable when it should have been subtracted. Another comparable's adjusted sales price was over twice the others adjusted sales price in the sales comparison analysis. The comparable was either so dissimilar it should not have been used or either not adequately adjusted to a credible adjusted sales price. Respondent communicated an appraisal report, which was not clear and accurate due to "clone errors", statements that were not accurate and statements that were not clear. Respondent failed to train the Trainee in the proper development and reporting of an appraisal. 1-1(a), 1-5(a), 1-1(c), USPAP, 2005 Ed.; 780-X-9, Appraisers Board Administrative Code, February, 2003.

AB 05-92 Respondent failed to use the correct quality of construction from the data source in the cost approach. Respondent failed to correctly calculate the basement garage in the cost approach. Respondent failed to adjust for the subject home & lot being inferior in the sales comparison

analysis. Respondent communicated an appraisal report with “cloned report” error. Supervisor type of inspection of the subject property was not clearly stated. Respondent failed to train the Trainee in the proper development and reporting of an appraisal. 1-1(a), 1-4(b)(i), 1-4(a), 1-1(c), 2-1(b), USPAP, 2004 Ed.; 780-X-9, Appraisers Board Administrative Code, February 2003.

AB 05-79 and AB 05-81 On April 21, 2006 the Board issued a private reprimand to a Trainee Appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$750 Administrative Fine and to complete a 15 hour USPAP course with exam and a URAR course. **AB 05-79**

Respondent used a blueprint of the home to calculate the GLA and did not disclose in his scope of work that actual measurement had not been made. The intended use of the appraisal report was not clearly and accurately stated in the report. Described a different neighborhood than the subject neighborhood in the neighborhood section of the report. Supervisor’s inspection of the subject property was not clearly stated. 2-1(a), 1-2(b), 1-1(a), 1-1(c), USPAP, 2005 Ed.

AB 05-81 Respondent failed to prepare, develop and communicate a credible appraisal report due to being reconciled from non-credible sales comparison analysis. Respondent incorrectly added the square footage adjustment in one comparable when it should have been subtracted. Another comparable’s adjusted sales price was over twice the others adjusted sales price in the sales comparison analysis. The comparable was either so dissimilar it should not have been used or either not adequately adjusted to a credible adjusted sales price. Respondent communicated an appraisal report, which was not clear and accurate due to “clone errors”, statements that were not accurate and statements that were not clear. 1-1(a), 1-5(a), 1-1(c), USPAP, 2005 Ed.

AB 05-82 On April 21, 2006 the Board issued a private reprimand to a State Registered Appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$750 administrative fine and take a 15 hour USPAP course with exam and a URAR course. Respondent failed to use the correct quality of construction from the data source in the cost approach. Respondent failed to correctly calculate the basement garage in the cost approach. Respondent failed to adjust for the subject home & lot being inferior in the sales comparison analysis. Respondent communicated an appraisal report with “cloned report” error. Supervisor type of inspection of the subject property was not clearly stated. 1-1(a), 1-4(b)(i), 1-4(a), 1-1(c), 2-1(b), USPAP, 2004 Ed.;

Letters of Warning were issued on the following investigations for the discrepancies indicated. This disciplinary action will be considered in any future discipline proceedings:

AB-05-89 On April 27, 2006 a Certified Residential Appraiser for a residential appraisal where access to subject is across adjoining property

and this was not disclosed in the report. Violation: 1-1(a), 1-1(b), 2-1(a), USPAP, 2005 Ed.

AB 05-99 On April 27, 2006 to a Certified Residential Appraiser for a residential appraisal. The error in GLA calculation is a violation of 1-1(c), USPAP, 2005 Ed.. The proper way to measure the upstairs space with a sloping ceiling is from 5' ceiling height, not 7' ceiling height. The calculation error in the GLA resulted in non-credible adjustments in the sales comparison grid and could have affected the final value opinion. Proper supervision of a trainee appraiser was not provided. §780-X-9-.01, Appraisers Board Administrative Code, as amended 2003.

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board since last meeting the Board received 1 new complaint, 1 complaint was dismissed and 11 were settled with a total of 144 open complaints. The Board discussed the fact that we are down to only one investigator at this time.

6.2.1 The Board reviewed Probable Cause Report **AB-05-104**: On motion by Mr. Stallworth and second by Mr. Garrett, the Board voted that Probable Cause does exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-05-105**: On motion by Mr. Stallworth and second by Mr. Garrett, the Board voted that Probable Cause does exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary **AB-05-124**: On motion by Mr. Garrett and second by Mr. Stallworth, the Board voted that Probable Cause does exist and to proceed with a formal investigation. Mr. Tillman and Mr. Blissitte recused. Motion carried by unanimous vote.

6.2.3 The Board reviewed Consent Settlement Order on **AB-05-109**. On motion by Mr. Garrett and second by Mr. Tillman the Board voted to approve this Consent Settlement Order as presented. Motion carried by unanimous vote.

The Board reviewed Letters of Warning on **AB-05-89** and **AB-05-99**. On motion by Mr. Garrett and second by Mr. Tillman the Board voted to approve these Letters of Warning as presented. Motion carried by unanimous vote.

6.3 Mrs. Brooks included for Board information the Florida Mutual Recognition Agreement acknowledgement letter from Mr. Michael Murphy, Director of the Florida Division of Real Estate. Mrs. Brooks informed the Board that this letter will be added to the website under Latest News and will include a link to Florida contacts.

6.4 The following reciprocal licenses were issued since last meeting: Thomas R. Given III (R)(GA), James R. Kleitz (G)(GA), Robert R. Mancini (G)(GA), Averall C. Sistrunk (G)(MS).

4.0 The temporary permit report was provided to the Board for their information.

8.0 Mr. Davis asked the Board to consider increasing the Executive Director's salary. On motion by Mrs. Pruitt and second by Mr. Garrett the Board voted to grant a 5% increase. Motion carried by unanimous vote. Members voting were Mr. Davis, Mr. Odom, Mrs. Pruitt, Mr. Stallworth, Mr. Blissitte, Mr. Garrett and Mr. Crochen. Mr. Tillman was out of the room at the time the vote was taken.

Mrs. Brooks included for Board information a letter from Personnel abolishing the classification of Real Estate Appraisal Investigator Supervisor.

Mrs. Brooks included for Board information a letter from Personnel reallocating one of the Administrative Support Assistant II positions to the class of Legal Research Assistant.

Mrs. Brooks asked the Board for approval for Mr. Dixon and Ms. Conway to attend the USPAP Instructor Certification course scheduled for September 29-30, 2006. On motion by Mr. Garrett and second by Mr. Odom, the Board voted to approve Mr. Dixon and Ms. Conway's attendance with expenses. Motion carried by unanimous vote.

The Board discussed the need for Mrs. Brooks to attend a USPAP course. On motion by Mr. Tillman and second by Mr. Garrett, the Board voted to approve Mrs. Brooks' attendance of a USPAP course with expenses. Mrs. Brooks will schedule the course. Motion carried by unanimous vote.

The Board also discussed the possibility of Mrs. Brooks attending a Basic Appraisal course. On motion by Mr. Tillman and second by Mr. Crochen, the Board voted to approve Mrs. Brooks' attendance of a Basic Appraisal Course at the Director's discretion with expenses. Motion carried by unanimous vote.

Also included for Board information was a letter from Mr. Oren Price Tarpley to Mr. Odom requesting guidance on appraisals of bare land in excess of \$250,000. It is the Board's opinion that Mr. Tarpley cannot practice outside of his classification of Certified Residential Real Property Appraiser without a co-signer. Ms. Conway or Mrs. Brooks will respond to Mr. Tarpley.

Ms. Conway discussed with the Board the need to enforce the Supervisor/Trainee registration rule in the Administrative Code. On motion by Mr. Tillman and second by Mr. Garrett, the Board voted to strictly enforce notification to the Board within 10 days of a change in

Trainee/Supervisor status. If notification of the addition or termination of a Trainee/Supervisor relationship is not made within 10 days, both trainee and supervisor will be subject to a \$500 fine and a public reprimand.

Mrs. Brooks discussed with the Board the increasing problem with returned mail due to incorrect addresses. On motion by Mr. Stallworth and second by Mr. Tillman, the Board voted to send a letter to all licensees to verify their address information on the Board website and notify the Board office by July 1, 2006 of any corrections. After July 1, a \$200 fine will be levied against any appraiser who neglects to give written notification to the Board within 10 days of his/her change of address as required by §34-27A-16.

The Board discussed whether a Mentor who works out of his/her home must provide adequate workspace for his/her Trainee. The Board determined that a Mentor must provide office space for a Trainee even if the Mentor's office is in his/her home.

Mrs. Brooks informed the Board that La'Kesha Powell had resigned her position as Education Coordinator.

Ms. Conway informed the Board that she had researched the policies of surrounding states in regards to the handling of complaints against Board members. Ms. Conway explained that each state's Board would handle these complaints internally and that the Board member who the complaint was against would not participate in any discussions regarding the complaint. On motion by Mr. Stallworth and second by Mr. Garrett, the board voted to handle complaints against current Board members the same as complaints against any other appraiser, but with priority as to time.

9.0 At 10:30 a.m. on motion by Mr. Garrett and second by Mr. Crochen the Board voted to adjourn. Motion carried by unanimous vote. The next Board meeting will be held Friday, July 21, 2006 at 8:00 a.m. at the RSA Union Building, 100 N. Union Street, 3rd Floor Conference Room, Montgomery, Alabama.

Sincerely,

Carolyn Greene
Executive Secretary

CG

APPROVED: _____
James Davis, Chairman